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The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS FEBRUARY 1989

INDUSTRY SHIPMENTS INCREASE 0.2% THRU DECEMBER 1988

Total industry net shipments for twelve months of 1988, reported at 16,309 million pounds, were up 0.2 percent from the twelve month 1987 total of 16,276 million pounds.

Domestic shipments of 14,575 million pounds were down 3.0 percent from the twelve month 1987 total of 15,020 million pounds.

Exports of ingot and mill products of 1,734 million pounds were up 38.1 percent from twelve months of 1987 while imports declined 13.8 percent for the same period.

	1988 12 Mos.	1987 12 Mos.	% Change
Mill Products	13,202	13,135	0.5
Ingot	3,108	3,141	-1.1
Total	16,309	16,276	0.2
Less Exports	1,734	1,256	38.1
Domestic Total	14,576	15,020	-3.0

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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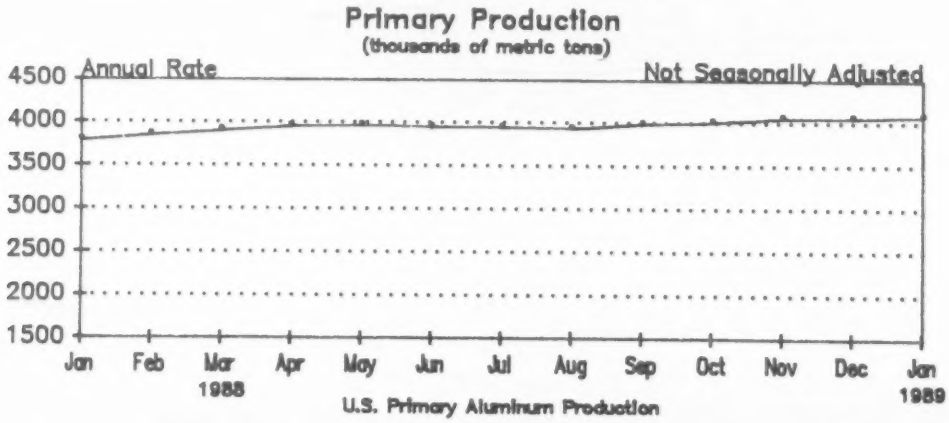
PRIMARY PRODUCTION DAILY RATE AVERAGES 11,163 METRIC TONS

U.S. primary aluminum production averaged 11,163 metric tons daily during January 1989. This compares with an average of 10,310 metric tons a day in January 1988 and 11,081 metric tons a day in December 1988. The annual rate of production in January 1989 was 4,074,636 metric tons compared with 3,773,484 metric tons in January 1988 and 4,055,634 metric tons in December 1988. Actual production in January 1989 was 346,065 metric tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation
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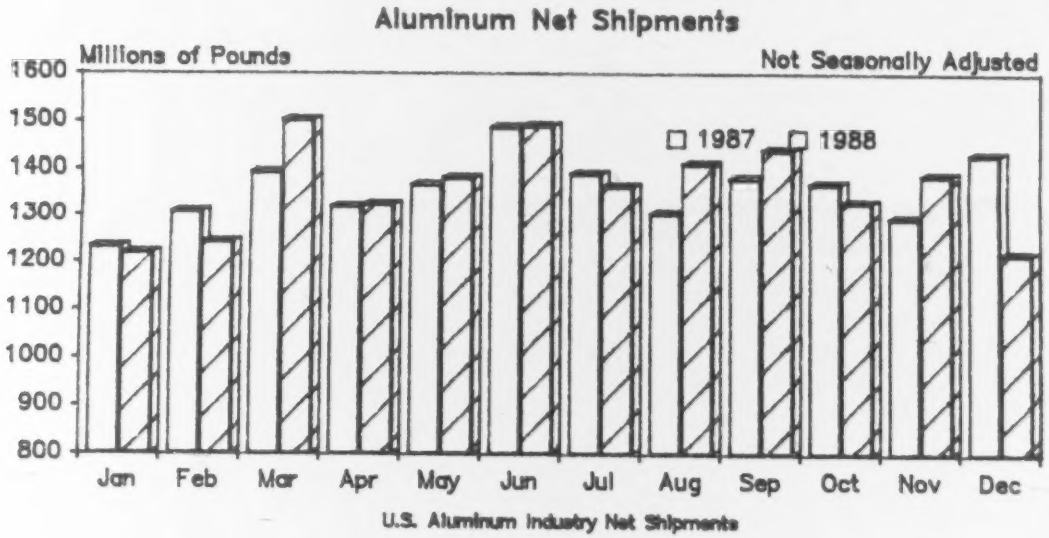
1988 INDUSTRY NET SHIPMENTS INCREASE 0.2 PERCENT

Total industry net shipments for twelve months of 1988, reported at 16,309 million pounds, were up 0.2 percent from the twelve month 1987 total of 16,276 million pounds. Domestic shipments of 14,577 million pounds were down 3.0 percent from the twelve month 1987 total of 15,020 million pounds.



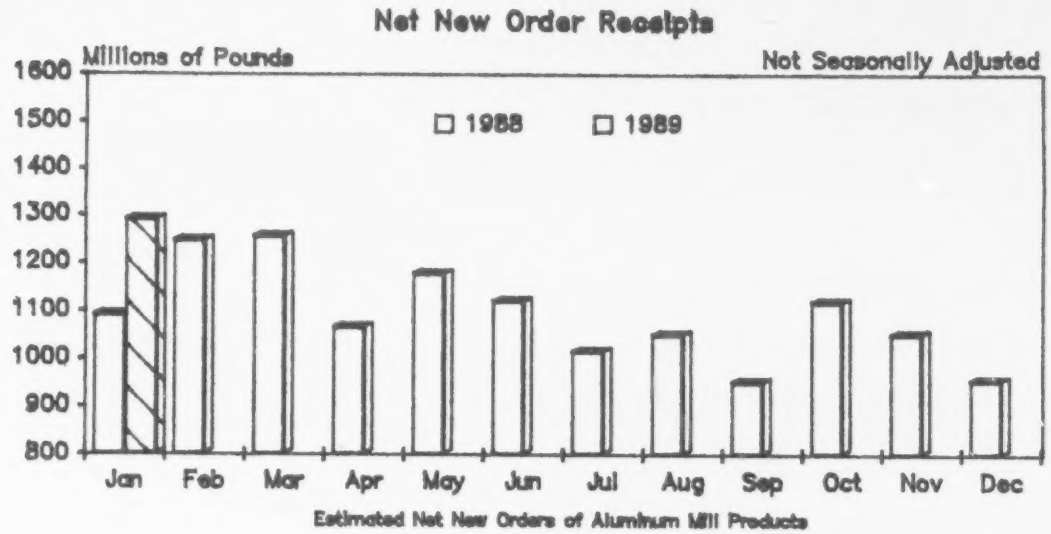
NET SHIPMENTS
(Millions of Pounds)

	1988 December	1987 December	1988 12 Mos.	1987 12 Mos.	% Change 1988 vs 1987
Sheet	550.1	673.4	7,115.2	7,110.2	0.1
Plate	21.8	22.0	298.0	268.5	11.0
Foil	69.1	71.9	906.0	866.3	4.6
Rod,Bar & Wire	13.4	23.8	253.1	358.0	-29.3
Elec. Conductor	52.8	51.6	702.3	627.6	11.9
Extruded Shapes,Tube	172.4	192.4	2,772.2	2,754.9	0.6
Powder & Paste	8.0	8.1	83.7	92.1	-9.2
Forgings & Impacts	12.3	11.9	166.3	156.3	6.4
Net Imports of Mill Products (Total) (a)	66.1	80.2	904.7	901.1	0.4
Total Mill Products	966.1	1,135.3	13,201.5	13,135.0	0.5
Ingot	252.7	295.3	3,107.6	3,141.0	-1.1
TOTAL INDUSTRY SHIPMENTS	1,218.7	1,430.6	16,309.1	16,276.0	0.2
Exports	191.1	138.6	1,733.5	1,255.6	38.1
TOTAL DOMESTIC SHIPMENTS	1,027.6	1,292.0	14,575.6	15,020.4	-3.0

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.

NET NEW ORDER RECEIPTS JUMP 18.2 PERCENT IN JANUARY

Estimated net new order receipts of aluminum mill products for January 1989, totaling 1,291 million pounds, jumped 18.2 percent from the January 1988 total of 1,093 million pounds. This also represents a 22.7 percent increase over December 1988 reported orders of 1,052 million pounds.



ORDER RECEIPTS
(Millions of Pounds)

	1989 January	1988 January	% Change 1989 vs 1988
Sheet & Plate, Other	425.5	378.2	12.5
Can Stock	413.8	351.3	17.8
Foil	108.6	80.0	35.8
Bar, Rod & Wire	30.3	53.5	-43.4
Electrical Conductor	84.2	51.3	64.1
Extruded Shapes & Tube	205.9	163.0	26.3
Powder & Paste	9.6	5.7	68.4
Forgings & Impacts	13.5	9.5	42.1
Total Mill Products	1,291.4	1,092.5	18.2

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES INCREASE 24 MILLION POUNDS

Producer inventories increased in December 1988 to an reported total of 4,184 million pounds. This represents a 24 million pound rise from the revised November 1988 level of 4,160 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
September	4,221	1,343	745	2,133
October	4,174	1,353	664	2,156
November	4,160r	1,429r	666r	2,064r
December	4,184	1,408	656	2,120

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 35.5 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of December 31, 1988 was 35.5, level with inventories reported at the end of November 1988.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

September	36.5
October	35.1
November	35.5
December	35.5

Source: Aluminum Association - Customer Inventory Position Survey

U.S. IMPORTS & EXPORTS
(Millions of Pounds)

		1988 December	1987 December	1988 12 Mos.	1987 12 Mos.	% Change 1988 vs 1987
Imports	Mill Products	68.6	85.5	970.0	1,005.1	-3.5
	Ingot	120.6	201.7	2,264.7	2,745.9	-17.5
	Total	189.3	287.2	3,234.7	3,750.9	-13.8
	Scrap (+ dross)	31.5	30.5	457.1	420.5	8.7
	Grand Total	220.8	317.7	3,691.8	4,171.5	-11.5
Exports	Mill Products	78.0	60.4	851.6	635.7	34.0
	Ingot	113.1	78.2	882.0	619.9	42.3
	Total	191.1	138.6	1,733.5	1,255.6	38.1
	Scrap	121.9	66.2	1,072.8	812.4	32.1
	Grand Total	313.0	204.8	2,806.3	2,068.0	35.7
Net Imports		-92.2	112.9	885.4	2,103.5	-57.9

Source: Bureau of the Census, U.S. Department of Commerce.